

FILE 5023047
MAYNARD TOPAZ
MINE

Surface Examination Report
Field Files ML-34698
ML-33388
ML-33042
July 25, 1995

Date of Inspection: July 17, 1995

Persons Present: William M. Stokes, SITLA, Minerals
Tom Munson, DOGM

Conditions: Excellent

Lands: T. 12 S., R. 11 W., SLM Section 16, E $\frac{1}{2}$ SE, SW $\frac{1}{4}$ NW $\frac{1}{4}$ (See attached map)
Juab County, Utah.

On July 17, 1995, a surface examination was conducted on the above referenced lands to determine the present mining conditions and approximate the amount of surface disturbance.

ML-34698

Land in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ is currently leased to Mike & Sandra Sprunger (50%) and Larry and Gail Lehto (50%), under ML-34698. Surface disturbance in this area is confined to a small area which is indicated on the attached map. In a letter dated 12/1/77, from Mr. John Blake to Mr. Sprunger, permission was granted to Mr. Sprunger to remove Gemstones by using hand tools only. Evidence on the ground indicates that both drilling and explosives have been used to remove material. The area of disturbance is approximately 20 feet by 30 feet which is approximately .014 acres. There has also been some additional extension of the existing road (Jeep trail) which leads to what appears to be camp site in the NE $\frac{1}{4}$ of the leased lands. (See map) No pictures were taken of the disturbed site.

ML-33388 & ML-33042

Lease ML- 33042 covers land in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16 and ML- 33388 covers land in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 16. Both ML- 33042 and ML-33388 are held by Utah Mineral and Fossils Inc. (John Holfert). These leases were assigned to Utah Mineral and fossils Inc. on March 8, 1994.

The only mine related surface disturbance is located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ as shown in the accompanying map. This disturbance may slightly overlap onto lands in the SW $\frac{1}{4}$ SE $\frac{1}{4}$. The disturbance comprises two main areas of mining activity as shown in the photographs accompanying this report. It was difficult to determine if there has been any actual mining on the leased lands in calendar year 1995 as the Backhoe which is parked at the mine site does not appear to have been moved in several months. No trespassing signs posted on the leased lands have been dated as of 3/?/1995. Mine area # 1 as shown in photo # 1 is approximately 75 feet X 75 feet, a total disturbed area of approximately 5,525 sq. feet or .13 acres. Mine area # 1 is identified in the Lessee's NOI as the current active mining area. Mine area # 2 as shown in photo

1 is approximately 250 feet X 105 feet, a total disturbed area of approximately 26,250 sq. feet or .6 acres. Mine area # 2 is identified as a previously disturbed mine area which was to be reclaimed by the end of 1995. Mine area # 2 does appear to be the site of some back-filling but at the time of this inspection mine area # 2 cannot be considered reclaimed. Photograph # 2 depicts a deep excavation within Mine area #2 which is identified in the Lessee's NOI as an area that will be back-filled and reclaimed in 1995. The total approximate area of mine disturbance is 31,875 sq. ft., which is approximately .73 acres, with .6 acres scheduled to be reclaimed in calendar year 1995. The area of disturbance was approximated by pacing the width and length of each area of disturbance at several locations and averaging the widths and lengths to obtain an average area of disturbance. The access road to the mine site does not appear on the topographic map and must be considered part of the disturbance created by the mining activity. At a minimum the access road, as it crosses State Trust land only, is approximately 2,700 feet and 10 feet wide. The total disturbance created by the access road as it crosses only Trust land is .62 acres. The total disturbance on Trust land, which is not included for reclamation in 1995, is .75 acres, this includes mine site # 1 and the access road to the mine. Of some concern are the high walls and pits created by mining activity as shown in Photo # 2. As a result of this surface inspection the Lessee will be required to post additional reclamation bonding and will be required to reduce the slope of the high walls.

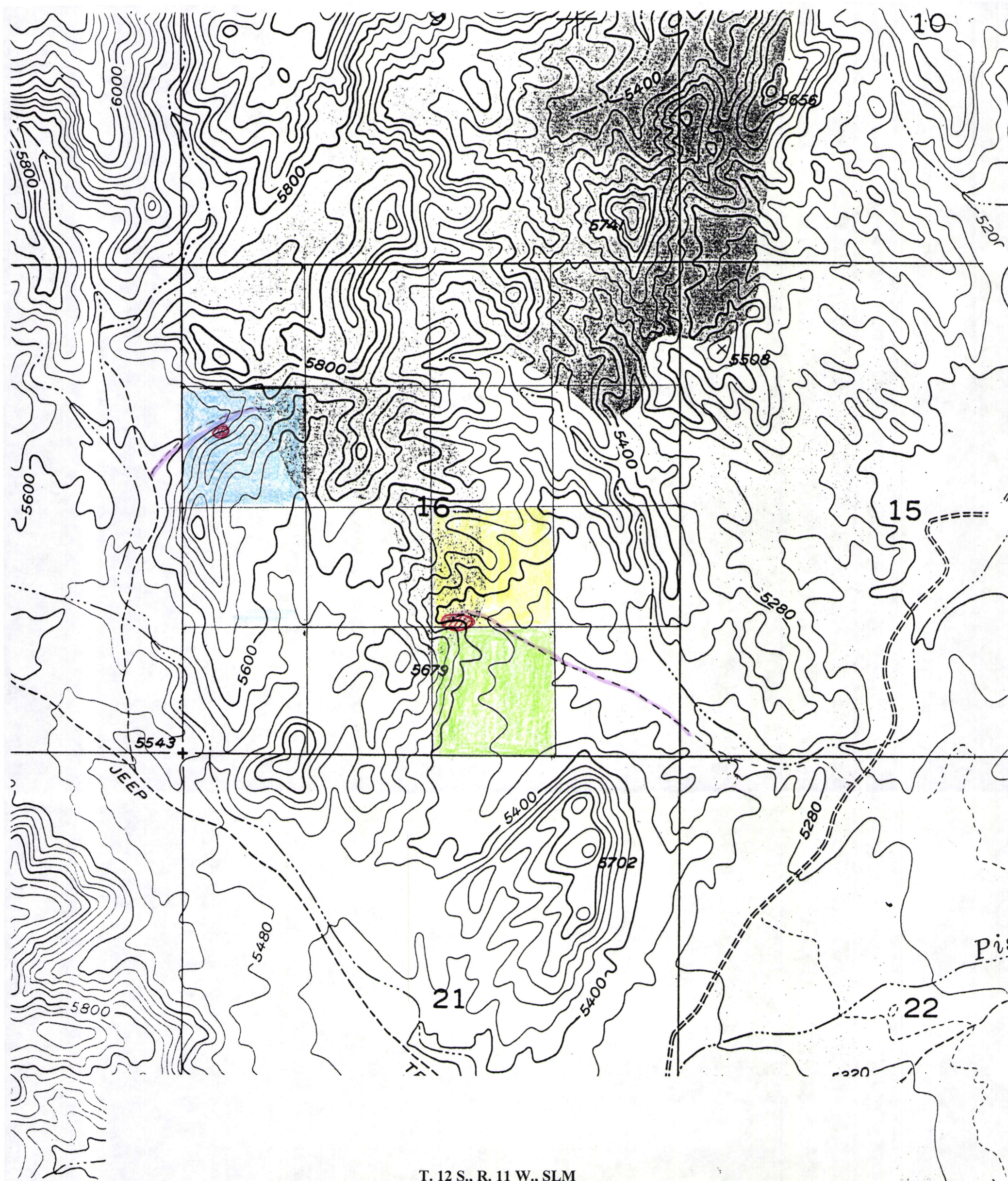
William M. Stokes
Minerals Resource Specialist



Photo # 1, Looking south onto mine disturbance on ML-33388 & ML-33042. Arrow # 1 shows the location of active mining. Arrow # 2 shows the location of an old excavation which is to be reclaimed by the Lessee in 1995. Arrow # 3 shows the location of the excavation as shown in Photo # 2.



Photo # 2, looking into excavation, the location of which is depicted by arrow # 3 in Photo # 1.
This excavation is to be reclaimed by the end of the 1995 calendar year.



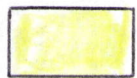
T. 12 S., R. 11 W., SLM
Section 16



SW 1/4 NW 1/4, ML-43698, Mike Sprunger



SW 1/4 SE 1/4, ML-33388, Utah Minerals & Fossils Inc. (Holfert)



NW 1/4 SE 1/4, ML-33042, Utah Minerals & Fossils Inc. (Holfert)



Surface Disturbances



Access road.